2007 Individual Estimated Tax Payment Instructions

Phone Numbers

If you have questions, please call one of the following numbers:

Phoenix	(602) 255-3381
From area codes 520 & 928 toll-free	(800) 352-4090
Form orders	(602) 542-4260
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 & 928 toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 & 928 toll-free	(800) 397-0256

You may also visit our web site at: **www.azdor.gov**

General Information

- Please type or print your name, SSN, and present address. If you are married making a joint estimated payment, enter your SSNs in the same order as your first names and in the same order as they will be shown on your joint Arizona income tax return.

- Complete Form 140ES using black ink.

- Once you make an estimated payment, you must file a tax return for that year in order to claim the estimated payment.

- You must round each estimated payment to whole dollars (no cents).

- Use Tax Table X or Y (in the 2006 tax instruction booklet) to help estimate this year's tax liability. Figure this tax on your total annual income.

The department will charge you a penalty if you fail to make any required estimated payment. Use Form 221, *Underpayment of Estimated Tax by Individuals*, to figure the amount of this penalty. The penalty is equal to the interest that would accrue on the underpayment. The penalty cannot be more than 10% of the underpayment.

Required Payments

Arizona requires certain individuals to make estimated income tax payments.

You must make Arizona estimated income tax payments during 2007 if:		
Your filing status is:	AND Your Arizona gross income for 2006 was greater than:	AND Your Arizona gross income for 2007 exceeds:
Married Filing Joint	$150,000	$150,000
Single	$75,000	$75,000
Head of Household	$75,000	$75,000
Married Filing Separately	$75,000	$75,000

If you met the income threshold for 2006, you must make estimated payments during 2007 unless you are sure you will not meet the threshold for 2007.

What is Arizona Gross Income for the Purpose of Estimated Income Tax Payments?

If you are a **full year resident**, your Arizona gross income is your federal adjusted gross income.

If you are a **part-year resident**, your Arizona gross income is that part of your federal adjusted gross income that you must report to Arizona.

If you are a **nonresident**, your Arizona gross income is that part of your federal adjusted gross income derived from Arizona sources.

How Much Should My Estimated Payments Total?

If you have to make estimated payments, your payments, when added to your Arizona withholding, must total either 90% of the tax due for 2007, or 100% of the tax due for 2006.

You can use your 2006 tax to figure the amount of payments that you must make during 2007 only if you were required to file and did file a 2006 Arizona income tax return.

When Should I Make My Estimated Payments?

For the most part, you must make your payments in four equal installments. The due dates for these installments for a calendar year taxpayer are as follows.

Installment	Due Date
First	April 16, 2007
Second	June 15, 2007
Third	September 17, 2007
Fourth	January 15, 2008

The dates above apply to a 2007 calendar year individual. For fiscal years, the payments are due on or before the 15th day of the fourth, sixth and ninth months of the current fiscal year, and the first month of the next fiscal year.

If 1 through 3 below apply, you do not have to make your payments in four equal installments.

1. **File and pay by January 31, 2008.** If you file your Arizona return by January 31, 2008, and pay in full the amount stated on the return as payable, you do not have to make the **fourth** estimated tax payment. Fiscal year filers must file and pay by the last day of the month following the close of the fiscal year.

2. **Farmer or fisherman**. If you report as a farmer or fisherman for federal purposes, you only have to make one installment for a taxable year. The due date for this installment for a calendar year filer is January 15, 2008. The due date for a fiscal year filer is the 15th day of the first month after the end of a fiscal year. There is no requirement to make this payment if you file your Arizona return on or before March 3, 2008, and pay in full the amount stated on the return as payable. Fiscal year filers must file and pay on or before the first day of the third month after the end of the fiscal year.

3. **Nonresident alien.** If you are an individual who elects to be treated as a nonresident alien on the federal income tax return, you may make three estimated payments. The due dates for these installments are June 15, 2007, September 17, 2007, and January 15, 2008. The first installment must equal 50% of your total required payments.

Voluntary Payments

An individual who does not have to make Arizona estimated income tax payments may choose to make them. Taxpayers who make such an election may choose one of the following methods to make their payments.

Method 1: If you file federal estimated tax, you can file an Arizona Estimated Tax Payment Form 140ES at the same time. The amount that you remit with Form 140ES should be 10%, 15%, or 20% of the amount that you paid on the federal **Form 1040ES Declaration Voucher.**

Method 2: You may file installments using Arizona Estimated Tax Payment Form 140ES. If you are a calendar year taxpayer, pay four installments by the following dates.

Installment	Due Date
First	April 16, 2007
Second	June 15, 2007
Third	September 17, 2007
Fourth	January 15, 2008

If you are a fiscal year filer, use the due dates established for federal filing.

The sum of the amounts remitted should equal your estimated end-of-tax-year liability.

Method 3: You may file an Arizona Estimated Tax Payment Form 140ES with a single, lump-sum payment before January 15, 2008. The payment should reflect your estimated end-of-tax-year liability.

Record of Estimated Payments		
Payment Number	**Date Payment Made**	**Amount of Payment**
Amount of 2006 overpayment applied to 2007 estimated tax		
1		
2		
3		
4		
	Total:	